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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
RUCNCIS/CIS COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 5571  
RUEHBJ/AMEMBASSY BEIJING 3290  
RUEHKO/AMEMBASSY TOKYO 3155  
RUEHIT/AMCONSUL ISTANBUL 3814  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUCNDT/USMISSION USUN NEW YORK 1099  
RUEATRS/DEPT OF TREASURY WASHDC  
RHMFISS/USCENTCOM SPECIAL HANDLING MACDILL AFB FL  
RUEHVEN/USMISSION USOSCE 3824  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001059

SIPDIS

STATE FOR SCA/CEN; EEB  
COMMERCE FOR ESHOUSE

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SUBJECT: TURKMENISTAN: ANNUAL CONSTRUCTION EXHIBITION HELD  
IN ASHGABAT

REF: ASHGABAT 769

Classified By: Charge Richard Miles, reasons 1.4 (b) and (d).

¶1. (SBU) On August 19, Economic Officer attended Turkmenistan's annual international exhibition devoted to the Turkmen construction sector. Deputy Chairman for Energy, Industry, Construction and Motor Transport, Deryageldi Orazov, opened the exhibition by reading a lengthy statement by President Berdimuhamedov. In the statement, Berdimuhamedov reminded the audience that according to presidential decree, Turkmenistan was in the "Epoch of New Revival and Transformation," and a series of Turkmen laws had been passed to ensure high quality housing for all Turkmen by ¶2020. In addition, the GOTX plans to create modern schools, hospitals, sports facilities, and other community buildings along with new apartments. Berdimuhamedov added that, as a result of this initiative to provide comfortable and attractive housing, "Ashgabat looks like one big construction site, but will soon become the most beautiful city in the world."

¶2. (SBU) Like all state-sponsored exhibitions in Ashgabat, the construction exhibition began with live entertainment, including traditional Turkmen music and dancing. VIPs were ushered up a flight of white, marble stairs toward the podium for opening remarks and the cutting of a bright green ribbon. The VIPs then followed the Deputy Chairman and his entourage on an hour-long tour of highlighted booths, during which the guests were barraged by Turkmen specialty food and drink. Once the official tour ended, the guests were free to visit the rest of the booths.

¶3. (SBU) As expected, the Russian and Turkish representation of construction-related vendors predominated the exhibition, but Chinese, German, South Korean, Austrian, Kazakh, Lithuanian, and other companies also occupied booths at the exhibition. Of the roughly one hundred booths, nearly every one was equipped with a large portrait of President Berdimuhamedov and a Turkmen flag. The GOTX sponsored the largest booth, which was dedicated to the Avaza Tourist Zone, located on the Caspian coast near Turkmenbashi. Turkmen representatives at this booth reported that seven hotels have been built with completion of Avaza scheduled for 2016

(reftel). These reps noted that Turkish, Russian, UAE, and European companies were busy building Avaza, but to their knowledge no U.S. companies were participating in the project, which in their words, "would eventually outshine Las Vegas."

14. (C) The Construction Exhibition also served as a forum where foreign diplomats could discuss commercial projects in Turkmenistan. Inevitably, the question, "Where are the American companies?" was raised by the Turkish Deputy Chief of Mission, Muammer Chengiz, who was convinced that foreign investment would get easier for everyone if the Americans entered Turkmenistan, adding that Turkey was very eager to partner with U.S. companies in Turkmenistan. Other Western diplomats characterized the exhibition as a lot of pomp and circumstance, with little business opportunity for foreign companies outside of Turkish and Russian. They stressed that most Western companies would not be able to stomach current corrupt business practices and then have to wait months for payment for goods and services. (NOTE: German companies were well represented at the exhibition, and German vendors seemed very upbeat on current and future business opportunities in Turkmenistan. END NOTE.).

15. (SBU) COMMENT: The annual International Turkmen Construction Exhibition allowed international companies to show off their construction technologies, services, and capabilities to high level Turkmen officials. Given that Turkmen companies alone cannot fulfill the President's order to transform Turkmenistan, it appears that there are many

ASHGABAT 00001059 002 OF 002

opportunities for foreign construction companies. Turkish construction companies, ubiquitous in Ashgabat, and French firm Bouygues have been operating in Turkmenistan for years and are well-established. At the same time, if the GOTX really wants to attract more Western companies and technologies, then it will have to take drastic steps to increase fairness and transparency, while paying companies on time. END COMMENT.  
MILES